

Application No.: 09/397,008

Docket No.: 21736-00012-US

**REMARKS**

This Amendment is responsive to the Office Action of October 7, 2004, and the accompanying request for a three-month extension of time makes this response timely.

In the Action, all of the pending claims, 26-30, 43-70, and 76-185 were acted on. Claims 108-133 were rejected under 35 USC 112, second paragraph. Claims 29, 30, 44-50, 53-57, 59-70, 76-112, 116-126, 128-138, 142-152, 154-162, 164-169 and 171-181 were rejected on prior art.

Applicant notes that the prior art rejection (as stated in the first paragraph on page 3) omits mention of claims 28 and 182-185. However, the very next sentence suggests that claim 28 has been rejected. Applicant will assume that the intention was to reject claim 28 on the same prior art. The status of claims 182-185 is, however, unclear.

The Office Action indicates that claims 26, 27, 43, 51, 52, 58, 113-115, 127, 139-141, 153, 163, and 170 contain allowable subject matter and would be allowed if rewritten to include all of the limitations of their respective parent claims.

Through this Amendment, Applicant amends claims 26, 43, 47, 51, 58, 62, 63, 67, 108, 113, 114, 115, 125, 127-134, 139-141, 143, 152-165, 167, 170, 174, 178 and 182.

More particularly, claims 26, (and 27 since it depends on claim 26), 43, 51, 58, 113, 114, 115, 127, 139-141, 153, 163 and 170 have been amended to incorporate substantially the subject matter of their parent claims. Claims 108 and 125 have been amended to overcome the rejection under 35 USC 112, second paragraph. The Office Action mentions that claims 139 to 141 and 153 would be allowable if rewritten to overcome the rejections under 35 USC 112, second paragraph. However, the Office Action does not contain a rejection of these claims under 35 USC 112, second paragraph.

Application No.: 09/397,008

Docket No.: 21736-00012-US

Claims 108 to 133 were rejected under 35 USC 112, second paragraph. The rejection revolves around the phrase "a computer" and whether or not the claim refers to a previously-referred-to computer or to another computer. Claims 108 and 125 have been amended to obviate the rejection. Applicant submits that in the amendment the claims 108 and 125 obviate the basis of the rejection and withdrawal of this rejection is solicited.

Before turning to the prior art rejection, applicant believes it worthwhile to briefly describe the new technology – and its relation to some prior art.

The prior art provides two techniques for auctioning plural objects, e.g., more than one. One prior art technique conducts a separate auction for each and every object. In other words, bidding is open for object number one (and no other), bidding ensues and at some point, the auction for object one is terminated and the object is awarded to a particular bidder. Thereafter, an auction is initiated for object two and so on.

A second prior art technique for auctioning plural items is to auction the items simultaneously in a single auction process. In other words, an auction is opened and bidding ensues on plural objects, e.g., bidder number one can bid on objects one, five and seven, bidder number two bids on the same or a different object or objects, and so on. This, in fact, is the approach used by the FCC spectrum auction and reported on in the Anthes reference (the reference relied on in the rejection). As reported in Anthes, the auction is simultaneous; i.e., as long as the auction is in progress, no determination is made assigning any object, and any bidder can bid on any item. When the auction closes, it closes on all items, *simultaneously*. This is reported by Anthes who says "simultaneous is the key word, all licenses in an auction remain open until all close." (Anthes page 2, line 3).

In contrast to the foregoing, this application describes a third way of auctioning multiple objects. As described in the application, all objects are auctioned in a process that begins at the same time. However, during the auction, objects may be assigned to bidders based on a determination which is made before the auction ends. It is clear that the determination is made before the auction ends because even after the determination, there is a further opportunity for

Application No.: 09/397,008

Docket No.: 21736-00012-US

bidders to submit bids. Thus, the determination to assign objects to a given bidder in an auction prior to additional bidding is a basic distinction between the auction described in this application and the FCC auction.

A different distinction relates to differences in the subject of the FCC auction and auctions described in this application. More particularly, the subject of the FCC auction is licenses. By definition each license is different from any other license. Accordingly the FCC auction does not relate to an auction of multiple similar objects, as does the auction described in this application. The application describes that one form of a bid includes two parameters, first an identification of an object type and second a quantity parameter. A bid including a quantity parameter is not described in Anthes. This then is another difference which is reflected in some claims.

Some other distinguishing characteristics will be identified in connection with a discussion of specific claims.

Turning to the rejection, the Office Action alleges that the reference describes "assignment of the items at different prices." Whether or not the reference describes "assignment of the items at different prices" is irrelevant. Some claims (such as claim 62) distinguish from the reference by requiring

means for determining, separately for each of a plurality of bidders, a quantity of objects, if any, to be assigned in the **current round**;

means assigning the determined quantity of objects to the determined **bidder in the current round**; and

means for generating updated bidding information and **initiating at least one more round of bidding if any objects remain unassigned**. (Emphasis added)

In other words, after there is a determination of whether objects are to be assigned in a current round, another round of bidding is initiated. The reference describes an auction in which this action is impossible since the only assignment determination comes at the end of the auction,

Application No.: 09/397,008

Docket No.: 21736-00012-US

after which there is no further bidding. The Reference describes the FCC auction and indicates (first two paragraphs of page 2):

“Bids are submitted privately electronically and bidders see all competing bids at the end of each round. Additional rounds are held until no new bid is received for any license.”

“‘Simultaneous’ is the key word; all licenses in an auction remain open until all close,” said John Giuli, the FCC’s chief of technical operations for auctions. ‘This kind of auction has never been held before.’”

An auction in which “all licenses” remain open until “all close” is not an auction which exhibits assignment determinations prior to termination. In other words, the FCC auction teaches an auction in which nothing may be assigned until the auction is concluded.

The Office Action also alleges that the FCC auction is one where there is a determination “for each of a plurality of bidders, a quantity of the items, if any, to be assigned at the current time and in the event of such a determined quantity, assigning the determined quantity to the determined bidder.” As above, whether or not this subject is found (expressly or by implication) in the reference is irrelevant. What is not found in the reference (expressly or by implication) is any determination for the assignment of an object or objects **followed** by further bidding. As pointed out above, the first and second paragraphs on page 2 teach the exact opposite, e.g., that in the FCC auctions “all licenses at an auction remain open until all close.” In other words, nothing is assigned at any time except at the termination of the auction. Some claims expressly recite the initiation of a new round of bidding following the assignment determination. There is no such subject matter in the reference since it teaches maintaining all objects open until all close. In other words the reference teaches that following the assignment of any objects there is no further bidding since the auction has concluded.

This Application previously contained independent claims 47, 56, 62, 63, 67, 76, 92, 108, 125, 134, 151, 160, 167, 174, 178, 182 and 184.

Application No.: 09/397,008

Docket No.: 21736-00012-US

Claims 182-185 have not been rejected; Applicant believes, therefore, they should be allowable.

Claims 26, 27, 43, 51, 52, 58, 113-115, 127, 139-141, 153, 163 and 170 were indicated to contain allowable subject matter. Of these, claims 26 (and its dependent claim 27), 43, 51, 58, 113, 114, 115, 127, 139-141, 153, 163 and 170 have been amended to substantially incorporate the subject matter of their respective parent claims.

Claims 174 and 178 differ from many of the claims in the application in specifying the format of the bid. For example, claim 174 indicates that one step in the method is "receiving bids submitted by a plurality of bidders, each bid indicating a quantity of the items that a bidder wishes to transact at each of at least two prices." Claim 178 recites similar subject matter, calling for "receiving means for receiving bids submitted by a plurality of bidders, each bid indicating a quantity of the items that a bidder wishes to transact at each of at least two prices." There is no indication in the reference that the auction described there allows a bidder to insert two different prices in a bid. Furthermore, there is nothing in the nine pages of the Office Action which mentions this subject matter. Applicant submits that claims 174 and 178, and the claims dependent thereon (175-177 and 179-181), should be considered allowable for these reasons.

One significant feature which clearly distinguishes from the reference is that of determining whether to assign objects or items other than at the end of the auction. As an example, claim 47 calls for "determining separately, for each of a plurality of bidders, a quantity of the objects, if any, to be assigned in the current round, in the event of such a determined quantity, assigning the determined quantity to the determined bidder." The claim thereafter recites the next step of "generating updated bidding information and initiating at least one more round of bidding if any objects remain unassigned." Because the FCC auction (described by Anthes) is simultaneous, there is no determining step, such as step d) of claim 47 which is followed by "initiating at least one more round of bidding if any objects remain unassigned," e.g., step e). Similar subject matter is found in claim 62 where there is first a "means for determining, separately for each of a plurality of bidders, a quantity of objects, if any, to be assigned in the current round," thereafter "means assigning the determined quantity of objects to

Application No.: 09/397,008

Docket No.: 21736-00012-US

the determined bidder in the current round” and in addition, further “means for generating updated bidding information, and initiating at least one more round of bidding if any objects remain unassigned.” Likewise, claim 63 specifies a “means assigning the determined quantity of objects to the determined bidder at the price for the round” and the presence of “means for generating updated bidding information and initiating at least one more round of bidding if any objects remain unassigned.”

The method claim 56 includes “determining separately, for each of a plurality of bidders, a quantity of objects, if any, to be assigned to the bidder in the current round, and in the event of such a determined quantity, assigning the determined quantity to the determined bidder” and thereafter “generating updated bidding information at the bidding information processor” and “initiating at least one additional round of bidding if at least one object remains unassigned.” Likewise, claim 67 in step c), calls for “determining separately, for each of a plurality of bidders, a quantity of the objects, if any, to be assigned in the current round” and then, in step “d)” “initiating at least one more round of bidding if any objects remaining unassigned.”

Claims 76 includes related subject matter. In particular, step d) calls for “determining at the computer, based on bids from participating bidders input in step c), whether there is at least one object which is desired by only one bidder, and, if so, assigning the determined object or objects to the determined bidder.” The claim then recites step e) which is “repetitively performing steps c) and d) if any objects remain available.”

An important thread among the several claims mentioned is the determination as to whether or not objects can be assigned and a subsequent bidding opportunity for remaining objects. This is distinguished from the FCC auction and/or the Anthes publication which only assigns objects once, at the termination of the auction and by definition there is no further bidding following the assignment of any object.

Claim 92, although in apparatus form, contains related subject matter. Claim 92 calls for “second determining means for determining whether there is at least one object which is desired by only one bidder based on bids detected by the second input means and for assigning the

Application No.: 09/397,008

Docket No.: 21736-00012-US

determined object or objects to the determined bidder” and “control means to maintain operation of the second input and second determining means so long as objects remain unassigned.”

Claims 108 and 125 also reveal related subject matter. Claim 108, for example, in step c) calls for “determining for each of a plurality of bidders, a quantity of items, if any, to be assigned at the current time, and in the event of such a determined quantity, assigning the determined quantity to the determined bidder.” The claim also calls for steps d) and e) including “generating updated information regarding the bidding process” and “initiating at least one additional opportunity for bidders to submit bids if any items remain unassigned.” Claim 125 in steps c), d) and e) recite related subject matter, in particular, “determining for each of a plurality of bidders, objects or a quantity of objects, if any, to be assigned to the bidder at the current time, and in the event of such determined object or quantity of objects, assigning the determined objects or quantity of objects to the determined bidder.” Step d) calls for “generating updated information regarding the bidding process” and finally step e) calls for “initiating at least one additional opportunity for the submission of bids if at least one object remains unassigned.” Claim 151 describes a system with similar characteristics in elements c), d) and e). In particular, a “determining means...” which determines whether objects or a quantity of objects are to be assigned to the bidder at the current time. The apparatus includes “generating means” which generates updated information regarding the bidding process, and, in addition, “initiating means for initiating at least one additional opportunity for bidders to submit bids if at least one object remains unassigned.”

As mentioned above, each of these claims distinguishes from the FCC auction and Anthes by providing for step or apparatus for determining whether objects or a quantity of objects should be assigned and then initiating a bidding opportunity if any object or objects remain unassigned.

Another distinction between the auction described in the application and the FCC auction and/or the description of the cited reference is that at least one bid includes a quantity parameter. Inasmuch as the subject of the FCC auction are licenses, and licenses are unique, a bid might identify several licenses that the bidder is bidding on. Since each license is unique, each license

Application No.: 09/397,008

Docket No.: 21736-00012-US

would be separately identified. This differs from a bid which includes a quantity parameter, e.g., seven widgets. Claims respecting the foregoing subject matter include claims 47, 67, 108, 134 and the claims dependent thereon. Claim 47, for example, includes a step of "receiving bids from participating bidders... and at least one said bid including a quantity parameter indicating a quantity of the objects the bidder wishes to transact."

Claim 67 is similar in calling for "receiving bids from participating bidders...and at least one said bid including a quantity parameter indicating a quantity of the objects the bidder wishes to transact." Similar subject matter is found in claims 134, 160 and 167. Applicant submits that these claims and the claims dependent thereon are patentable for at least this additional reason.

Claims 76 and 92 are directed at a different aspect of the auction technology described in this application. Applicant has recognized that in auctions for multiple objects, where there are multiple bidders, one bidding scenario which should be recognized is the scenario wherein summing the bids of all bidders other than a given bidder shows that an object for which the given bidder has placed a bid is not sought by any other bidder. This application teaches that in those circumstances, the object which is sought by only one bidder can be assigned to that bidder at that time, i.e., at the time the determination is made. This subject matter is reflected in claim 76 which calls for "determining at the computer, based on the bids of step a) whether there is at least one object which is desired by only one bidder and, if so, assigning the determined object or objects to the determined bidder." However, claim 76 is even more specific because after the first determining step, there is a subsequent step wherein further bids are input and there is a subsequent determining step. In other words, the determination of whether or not there is an object which is bid for by only one bidder is implemented at least two different times during the auction. Similar subject matter is reflected in the system claim 92. In this case, the claim includes first determining means and second determining means. Applicant has been unable to discover similar subject matter in the Anthes reference and the rejection of claims 76 and 92 (page 3) does not mention this subject matter.

Claim 160 recites "constraining bids so that the quantity contained in a bid at the current time is no greater than the quantity contained in an earlier bid". Claim 167 is similar, and



Application No.: 09/397,008

Docket No.: 21736-00012-US

recites "constraining means for constraining bids so that the quantity that a bidder wishes to transact at the current time can be no greater than the quantity that the bidder wished to transact at a preceding time". No such subject matter is mentioned in Anthes. The rejection of claims 160 and 167 is stated at page 6 of the Action, however the constraining subject matter is not mentioned on this page nor any other page of the Action. Applicant submits these claims, and claims dependent thereon are patentable for this reason.

In addition, Claim 160 recites "d) summing the quantities contained in all bids at the current time to determine a summed quantity of items at the current time" and determining whether the auction should end or continue, based on a comparison of the summed quantity of items at the current time and an available quantity of items. Claim 167, in apparatus form, calls for similar subject matter. No such subject matter is taught in Anthes. Applicant submits that these claims, and claims dependent thereon, are patentable also for this reason.

The dependent claims not specifically mentioned herein also include distinguishing subject matter.

In view of all of the foregoing, reconsideration of the application, withdrawal of the rejection and allowance of the pending claims is solicited.

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Respectfully submitted,

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